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Daily Environment Report

Afternoon Briefing - Your Preview of Today's News

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China Pollution Inspections Disrupting Supply Chains

Posted September 18, 2017, 7:31 A.M. ET

By [Michael Standaert](#)

Factory operations suspended under sweeping environmental inspections are affecting supply chains in China ranging from chemicals to electronics to textiles, creating a crunch at its ports and uncertain timelines for deliveries, sources told Bloomberg BNA.

The situation could linger for months as authorities near major urban areas around Beijing, Shanghai and South China's Pearl River Delta push to meet cleaner air quality goals laid out in a national air pollution action plan launched in late 2013, which expires at the end of the year.

"Tens of thousands" of factories have been affected in and near the major urban centers, with impacts ranging from "complete factory shutdowns [to] temporary closures" with unknown timeframes for resolution, Gary Huang, who sources products in China for Amazon.com sellers and is head of the supply chain committee at American Chamber of Commerce in Shanghai, told Bloomberg BNA.

Inspection campaigns are permeating "the various links of the supply chain including component suppliers, forcing companies to modify their products or remove certain components from their production," Huang said.

The European Union Chamber of Commerce in China has scheduled a working group meeting Sept. 27 in Beijing to discuss the situation.

'Down to the Second and Deeper Tiers'

"This has impacted our supply chain down to the second and deeper tiers," a representative of a

private U.S. company—who did not want his name or company identified—told Bloomberg BNA. “Most companies have less than a week in cash, so they don’t carry much inventory. When the inventory is gone, the delays get worse.”

The company’s main factory was shut down for environmental audits for nearly two weeks, causing major business disruptions, the representative said.

The U.S.-China Business Council said it was providing companies with research on the environmental inspection situation, but otherwise declined to comment.

Are Short-Term Impacts Necessary?

At the 19th Communist Party Congress, which begins Oct. 18 in Beijing, officials want to show President Xi Jinping they are serious about strengthening environmental protection in line with one of his high-profile policies of creating an “ecological civilization.”

The central government launched a fourth round of environmental inspections in early August in Jilin, Zhejiang, Shandong, Hainan, Sichuan, Qinghai and the Tibet and Xinjiang autonomous regions, to round out a nationwide campaign started in July 2016.

The Ministry of Environmental Protection said Sept. 5 that more than 5,600 companies had already been punished in the fourth round of inspections, totaling 280 million yuan in fines (\$43 million).

“In the past few weeks there has been more aggressive activity,” Michael D. Crotty, president of Golden Pacific Fashion & Design Co., Ltd. told, Bloomberg BNA Sept. 6. “We have a large project we are working on and shipment is due, and we are having a hard time getting to a ship date.”

Crotty said the environmental inspections are significantly impacting his home textile business supply chain mostly located in Zhejiang—which is part of the current central government inspection campaign—and Jiangsu provinces, with “thousands upon thousands” of dye and print mills closed or forced to work shortened weeks. “Many are not sure when they can reopen,” he said. “Hundreds of smaller mills will likely never reopen.”

Holiday Shipping Slows

Delays could occur in filling orders, manufacturing products, and in shipping as the holidays approach in the U.S. and Europe.

“If you are looking ahead to the fourth quarter, with the holidays, and then Chinese New Year coming, you’ve got a nightmare,” Crotty said. “You are going to have logjams in [Los Angeles], and jams getting boats here.”

Superfund Skepticism Spurs States to Seek Toxic Cleanup Alternatives

Posted September 18, 2017, 8:45 A.M. ET

By [Sylvia Carignan](#)

Some states with contaminated properties are passing up federal funds to avoid the red tape, uncertainty, and stigma that can be tied to the EPA’s Superfund cleanup program.

In a few cases, states are seeking to negotiate their own agreements with companies that are willing to pay—or at least help to pay—for cleanup, rather than add toxic waste sites to the

Environmental Protection Agency's National Priorities List, which makes them eligible for Superfund designation.

And companies are getting on board.

Nevada is working on an agreement with Atlantic Richfield Co. to pay for cleanup at a former mine site.

And, for the first time, the state of Indiana is withdrawing a site from National Priorities List consideration so that it can oversee cleanup with a local water utility.

'Certain Amount of Uncertainty'

The National Priorities List contains names of some of the country's worst hazardous waste sites, areas deemed so polluted that they're eligible for what can be a decades-long federal oversight of cleanup under the Superfund program.

At Nevada's Anaconda Copper Mine, the EPA wanted to list the site on the National Priorities List, but the state said no; federal cleanup would take too long and ultimately cost too much, they said.

"There is a certain amount of uncertainty, too, in federal funding," JoAnn Kittrell, spokesperson for the Nevada Division of Environmental Protection, told Bloomberg BNA.

The Superfund program has experienced a slow decline in appropriations for years, but President Donald Trump has proposed slashing the program's funding by 30 percent for fiscal year 2018. A funding bill the House passed Sept. 14 ([H.R. 3354](#)) would make more modest cuts, but the Senate has yet to vote on the measure.

State-Level Benefits

Though many states continue to ask the EPA to add their sites to the National Priorities List, some states and companies see many drawbacks to the federal program.

Under Superfund, the EPA attempts to compel companies that are potentially responsible for contamination to pay for cleanup at National Priorities List sites.

Where the EPA fails, or can't find a viable company that can pay, federal funding helps cover those costs instead. But in those cases, the state is liable for 10 percent of the cleanup costs.

And more states are calculating that the federal assistance isn't worth the time, money and harm to reputations of companies and communities that can come with a Superfund designation.

Having your property listed as a Superfund site "can come with some collateral damage," Doug Arnold, partner in the Atlanta offices of Alston & Bird, told Bloomberg BNA.

Steve Jawetz, principal in the Washington offices of Beveridge & Diamond, said companies also prefer states' voluntary cleanup programs, where licensed professionals may oversee remediation instead of the EPA, depending on the state.

Generally, he told Bloomberg BNA, companies can expect "fewer rigid approaches and more negotiation opportunities" at the state level.

Anaconda Copper Mine

Nevada has been wary of relying on federal funding for the Anaconda Copper Mine's cleanup since before Trump took office. Governors have the authority to ask EPA to consider a site for the National Priorities List. Nevada Gov. Brian Sandoval (R) tentatively agreed to have the EPA consider the site for listing, but had major reservations.

"There is profound skepticism that federal funds will actually be made available even if the site is listed on the NPL," Sandoval wrote in March 2016.

Sandoval said EPA failed to establish an overall project schedule and hasn't held potentially responsible parties to a schedule.

By July, the state had started negotiations with one of the site's potentially responsible parties, Atlantic Richfield Co., which would help clean up the site under oversight of the state, not EPA. Nevada subsequently requested that the EPA [remove the site](#) from National Priorities List consideration.

BP PLC, Atlantic Richfield's former parent company, did not immediately respond to Bloomberg BNA's request for comment.

Arnold said handling a contaminated site at the state level instead of the federal level may benefit the companies involved. In situations where companies are performing cleanup work, he said, a state program might hasten the process.

Under Superfund, if the EPA drags its feet, "that's gonna be extra cost, unavoidably," Arnold said.

Site "0153"

The Indiana Department of Environmental Management signed an [agreement](#) with the EPA in June to allow the state to direct cleanup efforts at a contaminated site.

Citizens Energy Group, which provides water and power to the area, is sampling groundwater wells. The state has dedicated "\$1 million per year to ensure work is completed in a timely manner" to address contamination at the site.

Letting Indiana manage the cleanup "would address the site sooner than, and at least as quickly as, EPA would expect to respond," the department's agreement says. The state initially asked EPA to consider the site for the National Priorities List, but decided, based on the majority of public input, to withdraw its request.

"The federal government brings in their resources, but it has not necessarily been a piece of cake for residents," said Paula Brooks, a community advocate who works for the Hoosier Environmental Council. The site is near two National Priorities List sites, where Brooks said cleanup has been "long, and not necessarily resident-focused."

The community's leaders opposed adding their site to the National Priorities List to protect the community's property values by avoiding stigma and to give residents a voice.

"If the EPA took over the cleanup, then we would not have the opportunity to basically advocate for the residents," she said.

Dow, Evonik, Wacker Claim Data Shows Silicone Material Safe

Posted September 18, 2017, 11:17 A.M. ET

By [Pat Rizzuto](#)

There's no need for the EPA to restrict uses of a silicone material based on new environmental monitoring data, say five producers who provided the information to the agency.

Millions of pounds of the compound, known as D4, are used in making sealants, adhesives, medical tubing, shampoo, and cell phones.

The Dow Chemical Co., Evonik Corp., Momentive Performance Materials Inc., Shin-Etsu Silicones of America, and Wacker Chemical Corp. submitted a package of environmental monitoring data for octamethylcyclotetrasiloxane, also known as D4 (CAS No. 556-67-2). The manufacturers gave the environmental monitoring data to the Environmental Protection Agency Sept. 5 to comply with an enforceable consent [agreement](#) they signed in 2014.

U.S. production and imports of D4 increased from 300 million pounds in 2011 to between 750 million and one billion pounds in 2015, according to [information](#) these and other chemical companies reported to the EPA.

Uses Restricted in Europe

D4 is classified in the European Union as reprotoxic and harmful to aquatic life. The EU restricts some uses of D4 and another silicone, decamethylcyclopentasiloxane (D5; CAS No. 541-02-6). The European Chemicals Agency is considering restricting those chemicals' use in skin products, tissues, and wipes.

The EPA isn't considering any restrictions now, but D4 is one of the chemicals the EPA has teed up for possible risk assessment. The Toxic Substances Control Act requires the EPA to consider hazard and exposure information as it decides whether a chemical poses sufficient risk to warrant regulation.

The U.S. data show no regulatory restrictions are needed, Karluss Thomas, senior silicone director at the American Chemistry Council, told Bloomberg BNA.

Similar monitoring data convinced Environment Canada that environmental concentrations of D4 were so low that no regulations were needed to control uses of the chemical, according to conclusions it announced in 2012. Instead, Environment Canada required industrial facilities that manufacture or use D4 to prepare and implement pollution prevention plans. Australia has a pending assessment of D4, Thomas said. The new data may be relevant to that assessment if Australia decides the wastewater treatment facilities there are sufficiently similar to those monitored in the U.S., he said.

Broad Uses

More than 99 percent of D4 is used to make silicone polymers, Thomas said. Those heat resistant, flexible polymers are used to make products including:

- medical tubes such as drug delivery systems and heart pacemakers,
- sealants, adhesives and coatings for concrete, glass, granite, steel and plastic building materials,
- cake pans, muffin molds, and baking mats,
- shampoos and conditioners, and
- cell phones and laptops.

\$5 Million Research Effort

The Silicones Environmental, Health, and Safety Center—managed by the American Chemistry Council—measured concentrations of D4 in wastewater, surface water, and sediment from 14 sites in Carrollton, Ky.; Waterford, N.Y.; Sistersville, W. Va.; and Adrian, Mich.

In total, the industry group invested more than \$5 million in the D4 research. The data will be made public by the EPA, which did not immediately respond to questions about the information.

The companies measured D4 levels headed to and from their own on-site wastewater treatment facilities, in surface waters, and from treated waters processed by utilities receiving industrial waste water, Thomas said. The companies also measured concentrations in two fish species and one worm-like animal that lives in sediment, he said.

Generating exposure data can be expensive, Thomas acknowledged: the D4 environmental monitoring data package cost a lot more than the \$1.2 million originally estimated. But, the center maintains the real value of the data is that it allows the EPA to use actual environmental measurements rather than projections calculated by computer models reliant on assumptions, he said.

Computer models largely are based on information derived from carbon-based chemicals, Thomas said.

“Silicone chemistry is fundamentally different from carbon chemistry,” Thomas said. “Having real world monitoring information is such a critical piece of the evaluation.”

EPA Leaders May Put New Water Czar on a Short Leash

Posted September 18, 2017, 9:30 A.M. ET

By [David Schultz](#)

People who've worked with David Ross call him a charismatic, pragmatic consensus-builder. But some wonder if another of Ross' attributes led the White House to choose him as the EPA's top water official—his court challenges of Obama-era regulations.

President Donald Trump nominated Ross to lead the Environmental Protection Agency's Office of Water, which has responsibility for lakes, rivers and oceans as well as drinking water. He'll [appear](#) Sept. 20 before the Senate Environment and Public Works Committee to answer questions, along with three nominees for other EPA offices.

Attorneys who've worked with Ross said they're impressed at how he can persuade opposing groups to reach deals. Steven Quarles, Ross' former boss at Crowell & Moring LLP, said he watched Ross when the firm worked on a wind power grant contract for the Department of Energy.

“People gravitated toward him,” Quarles, now a partner at the firm Nossaman LLP, told Bloomberg BNA. “It was extraordinary to see him work. He had the charisma to have people take his suggestions and run with them.”

“He's the kind of guy you'd like to have at EPA,” Rich Schwartz, an attorney who worked with Ross at Crowell, told Bloomberg BNA. “He understands the industry views because he's represented industry, but he also understands the environmentalists.”

Rewriting WOTUS

But what likely made him a more attractive candidate, his colleagues said, was his shared background with EPA Administrator Scott Pruitt—a former Oklahoma attorney general—in mounting legal challenges to Obama-era EPA regulations.

Ross represented the American Farm Bureau Federation in a lawsuit opposing limits on pollution in the Chesapeake Bay. He was also one of the attorneys representing more than a dozen Republican states in a suit that challenged the EPA's Waters of the U.S. rule, or WOTUS, a redefinition of which waters fall under federal regulatory authority.

If the Senate approves Ross' nomination, he'll go from suing the EPA over the WOTUS rule to being in charge of rewriting it.

Ross declined to comment to Bloomberg BNA, citing his nomination pending before the Senate. EPA spokeswoman Liz Bowman said he was chosen for his experience in a range of water issues. Quarles said he hopes the EPA's political leaders allow Ross to deploy his skills as an environmental attorney.

"He's going to have to help people to get to common ground on [WOTUS]," Quarles told Bloomberg BNA. "Most people in this administration are not practicing lawyers. They're campaign operatives. Practicing lawyers are looking for common ground."

No Leeway?

But Jan Goldman-Carter, the head of wetlands and water resources for the National Wildlife Federation, said finding common ground doesn't seem to be a priority for the current leadership at EPA.

"I just don't see any evidence that he's likely to be given the leeway to [work with opposing groups]," she said. "I just don't see any evidence that that's the way the agency is being run right now."

That's especially the case in determining whether the WOTUS rule should be scrapped, given that Pruitt has indicated he has "a single-minded agenda for narrowing the scope of the Clean Water Act," Goldman-Carter said.

Various industry groups, especially the agriculture industry, oppose the WOTUS rule because they fear it will eventually force them to obtain federal water pollution permits for small bodies of water that the EPA currently doesn't regulate. The lawsuit over the rule is currently tied up while the Supreme Court determines where the case should be heard.

Murky Ethics

Beyond the issue of how Ross will rewrite WOTUS, questions have arisen about whether he should be in charge of the rewrite, given his history of litigation against the EPA over the rule. Kathleen Clark, a professor at the Washington University School of Law who specializes in legal and government ethics, said Ross would be entering into murky ethical territory here.

Conflict-of-interest rules for attorneys typically don't allow lawyers to switch sides in a lawsuit, she said, which is effectively what Ross would be doing by joining the EPA. Also, similar rules for federal employees prohibit them from working on a regulation that affects one of their former clients.

Clark said she thought that, if Ross is confirmed, he would likely be precluded from any further

participation in the WOTUS lawsuit. But she said it's possible he could work on the EPA's rewrite of the rule, depending on how the administration interprets the ethical boundaries at issue. However, Clark also said that, regardless of what Ross may have done for his clients and how that may have compromised him on this issue, she doesn't expect the EPA will ultimately require Ross to recuse himself.

"This administration has disregarded much clearer rules, ethics standards that are much clearer than this one," she told Bloomberg BNA.

Bowman did not respond to questions about the ethics of Ross working on the WOTUS rewrite.

Prestigious Background

Ross received a degree from Vermont Law School, where he was editor-in-chief of its law review.

After more than a decade in the private sector working at firms such as Crowell and others, Ross entered the government in 2014 by becoming an assistant attorney general in the Wyoming Department of Justice. Last year, he took a similar position in the office of Wisconsin Attorney General Brad Schimel (R).

His ties to Republican attorneys general and litigation against the EPA aren't the only things Ross has in common with Pruitt, his possible soon-to-be boss. Ross also has ties to the energy industry, having lobbied the EPA and other environmental agencies on behalf of the coal company Peabody Energy, according to data reviewed by Bloomberg BNA.

Despite this industry-friendly background, environmentalists like Goldman-Carter praised Ross. She served alongside him on an EPA advisory committee on waters jurisdiction.

"My impressions were that he was both friendly and collaborative and a smart guy," Goldman-Carter told Bloomberg BNA.

Wind Power to Be Subsidy-Free in Less Than Five Years, GE Says

Posted September 18, 2017, 12:45 P.M. ET

By [Anna Hirtenstein](#)

Wind power both on land and in the sea will be profitable without government subsidies as early as the start of next decade, according to the head of the renewable energy arm of General Electric Co.

"Within a few years, the era of subsidies will be behind us—less than five," Jerome Pecresse, chief executive officer of the GE renewables unit, said in an interview at the Bloomberg New Energy Finance summit in London on Monday. "Subsidies are progressively disappearing for onshore and in Europe offshore, you've seen a few projects happening without subsidies."

The cost of wind power has been plummeting, with the latest auction in the U.K. delivering offshore projects that will cost less than nuclear. An April tender in Germany yielded the industry's first subsidy-free projects, with developers such as Dong Energy A/S betting that the country's power prices will rise.

GE manufactures turbines and also develops projects. It's adjusting to market changes by investing heavily in technological improvements, making turbines that are bigger and more efficient, Pecresse said. It recently introduced a 4.8-megawatt onshore turbine with a rotor that is

the about the same size as one of its offshore models.

The company is also working on combining its turbines with batteries, planning to sell a hybrid system "quite soon," Pecresse said.

"We are looking at how we can play in a smart way in that segment, it's clear that batteries are a significant question ahead for the energy industry," he said. "Scalable, economical batteries would create a next step change in the penetration of renewables."

GE's competitor, Vestas Wind Systems A/S of Denmark, has also said its looking into adding energy storage to its turbines. It's talking with Tesla Inc. about the business.

Pecresse also sees corporations that sign power purchase agreements with renewable energy developers playing a bigger role going forward, as governments reduce their involvement in the industry.

"Corporate buyers are very important now in the market and will be more and more important going forward," he said. "Direct power purchase agreements will be more important."

Companies such as Amazon.com Inc., Apple Inc. and Facebook Inc. have been signing long-term contracts with solar and wind farms, fixing a price for data centers and other heavy energy-consuming activities, particularly in the U.S. and Scandinavia.

GE is also eyeing pockets of international growth, with a focus high activity levels in parts of Southeast Asia like Vietnam and Thailand. The company is also looking at the Middle East and North Africa region in markets like Saudi Arabia, Turkey, Morocco and Pakistan.

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Cities, States and Businesses Put U.S. Halfway to Paris Goal

Posted September 18, 2017, 02:17 P.M. ET

By [Joe Ryan](#)

Efforts by cities, states and corporations to fight global warming have put the U.S. halfway toward its Paris climate accord goal, even as President Donald Trump rolls back federal environmental efforts.

The push by public and private leaders from New York to California has put greenhouse gases on track to fall 12 percent to 14 percent below 2005 levels over the next eight years, according to a study released Monday by NewClimate Institute and The Climate Group. The U.S. pledged cuts of 26 percent to 28 percent during that period under a global pact brokered in the French capital in 2015. Trump announced in June that the U.S. would exit the agreement.

The study uses data from CDP (formerly the Carbon Disclosure Project), that includes commitments from 22 states, 54 cities and 250 U.S.-based businesses. Some of the largest reductions come from California, New York and Colorado, according to the study, released as world leaders and industry executives gather for Climate Week NYC and the United Nations general assembly.

"President Trump and all his tweets cannot stop our states from moving forward," Washington State Governor Jay Inslee said during Climate Week NYC's opening ceremony. "He cannot stop any of the things we are doing."

In the private sector, commitments by companies to wean themselves off fossil fuels and source power from wind and solar farms have also been a key driver, the study found. Mars Inc. board member Stephen Badger said the economics of clean energy are driving that shift.

“We are already finding our bills to be less than what we would pay with fossil fuels,” said Badger, whose McLean, Virginia-based company has committed to spending more than \$1 billion to cut its carbon emissions.

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Trash From Hurricane Irma Will Add Energy to Florida’s Power Grid

Posted September 18, 2017, 8:45 A.M. ET

By [Eric Roston](#)

When it comes to garbage, geography is destiny.

Look at Texas and Florida, recovering from Hurricanes Harvey and Irma. Homeowners and businesses not incapacitated by the storm have begun the arduous and emotional work of separating destroyed possessions and materials by type and placing them curbside. Cities have begun the intimidating logistics of picking it up and transporting it to its final destination.

And what is that destination? Texas’s waste-disposal strategy takes advantage of the state’s vast land. Harris County alone, which includes Houston, has 14 active [landfills](#).

Florida, by contrast, is a peninsula with a longer coastline than any state other than Alaska and much less room for trash. Many coastal Florida counties burn theirs, with waste incinerators particularly common around the state’s populous southern lip and up the Gulf Coast. It’s a two-fer. Combustion reduces the solid waste to ash, and the heat that’s produced runs steam generators. Much of the waste left in Irma’s path will burn, the energy released adding to local communities’ electricity.

Florida burns a [disproportionate](#) amount of U.S. trash. Ten waste-to-energy plants turned 4.5 million tons of trash into 3.5 million megawatt-hours statewide in 2016. That’s about 2 percent of the state’s overall power, and a large majority of its renewable energy. Burning trash makes up less than 0.5 percent of overall U.S. electricity production, according to the Energy Information Administration.

But the main point is to make stuff disappear. Incineration reduces the solid mass of trash by up to 90 percent. The leftover ash can then be more efficiently dumped in a landfill where space is precious. In 2016, Florida burned 12 percent of its trash, recycled 44 percent, and another 44 percent went into landfills. With all that, Florida has historically been an exporter of garbage to other states, the 10th largest in a 2007 [study](#) by the Congressional Research Service.

Waste-fueled power plants were built mostly in the 1980s and early 1990s, encouraged by a 1978 federal law. Environmental scrutiny in later years led to widespread retrofits of pollution-control technologies to remove mercury and dioxin.

Burning stuff up doesn’t make it entirely disappear, even once the ash is disposed of. Part of the mass of the original garbage is converted into carbon dioxide and released into the atmosphere. But this pollution could beat the alternative. If the same volume of waste were tossed into landfills, eventual emissions of methane, a more powerful greenhouse gas, would be even worse for the atmosphere.

That makes garbage an attractive, if marginal, alternative to fossil fuels in some areas. The Intergovernmental Panel on Climate Change, the authoritative scientific group backed by the United Nations, supported waste-to-energy plants as a low-carbon technology back in 2007. Before its next report, in 2014, costs for plants had fallen 15 percent globally.

Before Irma hit, Florida Department of Environmental Protection staff worked with local governments and facilities to anoint disaster-debris sites, sort of a purgatory for trash before it's moved to incinerators. (After storms, the Department of Environmental Protection coordinates with multiple state and federal agencies, including the U.S. Army Corps of Engineers, Federal Emergency Management Agency, and the Florida Fish and Wildlife Conservation Commission.) Fuel for these incinerator power plants stood at high levels before Irma struck. In anticipation of the hurricane, Miami residents, for example, had doubled the amount of stuff they [threw out](#) in the days before it arrived. Already, some county authorities are seeing a spike in solid waste.

"We've seen about a 20 percent increase," said Kimberly Byer, solid waste director for Hillsborough County, which includes Tampa. "That's just an initial increase, and it's only been a couple of days."

The county's 565,000 tons of trash a year produces about 45 megawatts of power, or enough to run about 30,000 homes. "It pays for itself," Byer said of Hillsborough's waste-to-energy facility.

Hurricane or no hurricane, people are comfortable with garbage.

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Big Oil Becomes Greener with Progress in Cutting Pollution

Posted September 18, 2017, 7:58 A.M. ET

By [Anna Hirtenstein](#)

It's no secret that oil majors are among the biggest corporate emitters of pollution. What may be surprising is that they're reducing their greenhouse-gas footprints every year, actively participating in a trend that's swept up most corporate behemoths.

Sixty-two of the world's 100 largest companies consistently cut their emissions on an annual basis between 2010 and 2015, with an overall 12 percent decline during that period, according to a report from Bloomberg New Energy Finance released in London on Sept. 19.

The findings suggest the most polluting industries had started fighting climate change before President Donald Trump took office and signaled he'd back out of U.S. participation in the Paris accord on limiting fossil fuel emissions. Now, as European officials say the White House may water down its commitment to Paris instead of scrapping the deal, the BNEF report suggests industry is scaling back the emissions.

"It doesn't matter if Trump stays in Paris; it's irrelevant as the states and big corporations are moving forward with clean energy," Peter Terium, chief executive officer of the German power generator Innogy SE, said on the sidelines of the BNEF conference on Sept. 19. "They're not waiting. We're seeing renewable energy becoming more and more competitive opposite fossil fuels like coal."

The five biggest oil companies -- Exxon Mobil Corp., Royal Dutch Shell Plc, Chevron Corp., BP Plc and Total SA -- collectively curbed their pollution by an average of 13 percent between 2010 and 2015, the report said. BP cut the most at 25.5 percent. Exxon, the largest emitter among

listed companies, pushed it down by 14 percent.

The report shows a reverse from previous decades, when scientific warnings about climate change were new and the companies behind the most emissions lobbied policymakers to ignore the issue. As mega-storms like Hurricane Irma this year and Sandy in 2012 raised consciousness about the issue, companies even in the oil business have taken steps to rein in pollution and associate themselves with the green agenda.

The reductions recorded by the 100 top companies saved 70.7 million tons of carbon dioxide and other greenhouse gases, about as much as Israel [emits in a year](#). Because emissions data takes so long to compile, 2015 is the latest year covered.

“This is a reflection of growing pressure from shareholders, investor groups and civil society for more disclosure of greenhouse gas emissions, as well as setting reduction targets,” said Laura McIntyre-Brown, analyst at Bloomberg New Energy Finance and the author of the report. “There’s also an evident trend of increased emissions disclosure among many of the biggest companies.”

Oil’s View

Exxon said it has spent about \$8 billion since 2000 to deploy low-emission energy equipment across its operations and that it’s conducting and supporting research on technologies to make further cuts. An official at Shell said its new energy business is more focused on “good projects” rather than meeting a target.

A press officer at Total said the figures in the BNEF report were accurate. BP and Chevron didn’t immediately respond to requests for comment.

The corporations in the BNEF survey had combined revenue of more than \$5 trillion. That’s more than the gross domestic product of every country except the U.S. and China, according to data from the [World Bank](#). They wield immense power over the global economy and are having a sizable impact on the state of the environment, both from their operations and through corporate lobbying.

While some of the reduction from the big oil companies is probably due to the crash in oil prices that began in 2014, leading to lower activity across the energy industry, all five majors have enacted climate and efficiency policies, as well as anti-pollution measures, the report said.

As the energy sector pollutes more than any other industry, even marginal gains can have a significant impact. Big Oil collectively saved 56.7 million tons of greenhouse gases between 2010 and 2015. That sum excludes Chevron, which only started reporting in 2012.

While progress has been made, there isn’t evidence yet that the oil business could break the link between its revenue and the pollution it emits, the report concluded. While the energy industry cut emissions, its revenue declined by 26 percent in the same time period.

Outside the energy industry, companies collectively have managed to pare back emissions while boosting sales. Collective revenue for the 62 companies covered in the report rose 1.2 percent while emissions fell 12 percent. In all, 71 million metric tons of greenhouse gases were avoided while sales gained by \$61 billion. Health providers and consumer-product makers led the trend.

“If you think about the oil and gas industry, use of oil and gas for combustion creates emissions,” said Rick Wheatley, executive vice president of new growth at Xynteo Ltd., a consultancy that advises Shell, Statoil ASA and Eni SpA on sustainability and long-term planning. “If

diversification into other kinds of energy is on the table, then I think it's absolutely possible to decouple."

The trend may continue after almost 200 countries agreed in Paris in 2015 to limits on fossil-fuel emissions, said Sean Kidney, chief executive officer of the Climate Bond Initiative, an organization that promotes green bonds sold to pay for environmental projects.

"The Paris agreement has been extraordinarily successful in establishing a new consensus," Kidney said. "There's a sense of future certainty developing which is influencing decision-making in the corporate sector."

—With assistance from Brian Parkin.

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Utilities Line Up to Profit From 'Slowest Trainwreck' in History

Posted September 18, 2017, 01:41 P.M. ET

By Jessica Shankleman

The unrelenting plunge of power prices will benefit companies that can withstand new challenges from upstart wind and solar newcomers, according to two of Europe's biggest utilities.

Only large companies with diverse portfolios and resources will have the weight to compete against renewable projects that sell subsidy-free power to markets, Enel SpA's Chief Executive Officer Francesco Starace said at the Bloomberg New Energy Finance conference Sept. 18 in London.

"You need to have a diversified portfolio, you need to be able to say, 'No I don't like this project, I have another three coming,'" he said. "If you only have one project and that project is everything you need for growth, that is not a good thing."

Renewable energy technologies are upending the century-old, centralized business model that utilities have used to grow. The cost of electricity from offshore wind farms, once one of the most expensive forms of green energy, is expected to slide by 71 percent over the next two decades, according to BNEF. Solar, once so costly it only made sense in spaceships, now competes with coal and even natural-gas plants on cost.

"I do think we're experiencing the slowest trainwreck in history," Steven Martin, chief digital officer at General Electric Co.'s energy connections unit, said at the conference. "We're going to reach some point where the marginal cost of energy is zero."

Earlier this year, Germany shocked the renewable energy industry by handing out contracts to developers willing to build offshore wind farms without subsidy. Spain also has seen zero subsidy tenders, according to Starace, who said he expects the trend to go global after beginning in Europe.

The trend to zero subsidy is clear, and that beefs up competition leading to consolidation in the market, said Leonhard Birnbaum, chief operating officer at the German utility EON SE.

"The party is over now, and not everybody can make money," he said at the summit. "In the future, only the good performers can make money. The rest won't be able to cover their cost of capital."

—With assistance from Anna Hirtenstein.

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Irma Stirs Fear of Setback to \$16 Billion Everglades Restoration

Posted September 18, 2017, 8:39 A.M. ET

By [Ari Natter](#)

For two decades Steve Davis has made it his life's work to save the Florida Everglades.

Davis, a wetland ecologist with the Everglades Foundation, has been part of a push to restore millions of acres of marsh grasses and mangroves to their natural state. The effort, comprised of nearly six-dozen projects carrying an estimated price tag of \$16 billion, is one of the largest environmental restorations ever undertaken.

The plan was approved by Congress in 2000. But work has moved in fits and starts -- more than \$2 billion has been [spent](#) so far -- and Davis was anxious last week to see if Hurricane Irma's lashing winds and surging seas had setback what progress there has been. So he talked a pilot into taking him up to survey the damage.

"The smell of decay was noticeable from our altitude," Davis said in an interview. Extensive batches of sea grass, crucial for sustaining water quality and habitat for fish, could be seen dead and floating on the water. Mangrove trees were defoliated, the wind having stripped their leaves off.

Still, not all the news is bad. The massive amount of rain water from the storm now flowing through the area could be helping flush saltwater from the area's sensitive estuaries. Previous storms, such as Hurricane Wilma in 2005, deposited nutrient-rich soil.

"I think there is potentially good from this," Davis said.

Home to the elusive Florida panther, crocodiles, manatees and the state's iconic pink flamingos, the Everglades make up much of Florida's southern tip and is a World Heritage Site. Decades of development and farming have put the so-called River of Grass at risk. Climate change has raised the ocean's waters, threatening it with the seeping influx of salt water and leading to higher storm surges.

Since Irma swung up through the Florida Keys and the state's western coast, federal officials have struggled to access the 1.5 million acre Everglades National Park and assess the damage. Power and internet outages and trees blocking the main access road kept the park closed and largely cut off. Employees inside couldn't even be contacted for days.

"The storm has passed and we are currently assessing damage to the park," an alert on the National Park Service's website said. "It is not safe for re-entry at this time."

The park service said storm surges of nearly nine feet hit the park. At Key Largo, there is extensive debris scattered throughout Florida Bay. "Numerous vessels are grounded or have been pushed into mangroves, causing severe damage," the park service said.

Park workers had succeeded in opening one lane of the main road to the headquarters, allowing heavy equipment access to start their work inside.

"My sense is there is definitely damage," said Diana Umpierre, a representative for the Sierra Club's Everglades Restoration Campaign. A friend told her that nests and eggs of several species of endangered turtles were washed away.

Storm surges could have pushed in too much saltwater and eroded soil -- a valuable commodity when fighting sea level rise, said Evelyn Gaiser, an ecologist at Florida International University.

Anxiety also remains about the swollen Lake Okeechobee to the park's north, and whether the U.S. Army Corps of Engineers will release water from it. "Those discharges will be polluted water and they will have detrimental effects on the ecosystem," said John Adornato, senior regional director at the National Parks Conservation Association's Sun Coast Regional Office.

The park's birds and animals have weathered hurricanes before using survival mechanisms like hunkering down in trees, low lying areas or other natural shelters, said Nicholas G. Aumen, a regional science adviser for the U.S. Geological Survey, who runs an Everglades restoration program. Some animals will likely perish, but the impact is not likely to be catastrophic, he said.

Hurricanes Are Natural

"The first thing to remember is that hurricanes are a natural part of the landscape down here," he said in a phone interview.

Even before Irma, the Everglades' once-pristine wetlands and mangroves had been fighting for survival, beset by development and farming that starved the wetlands of freshwater and inundated it with damaging phosphorous run off from the fertilizer used by the hundreds of thousands of acres of surrounding sugarcane farms.

In the face of those threats, Congress passed legislation in 2000 that created a plan made up of 68 different projects, pledging help to restore, preserve and protect the region. Projected to last 35 years, the nation's largest hydrological restoration plan included the erection of flood-control walls keep the park's urban boundaries from flooding and the construction of a massive canal to restore freshwater flows to the Florida Bay.

Still Fussing

"We could have done a lot by now but we are still fussing with it," said Harold Wanless, a University of Miami expert on sea-level rise. "By the time they figure it out they won't have much Everglades left."

The projects have been slow going amid environmental litigation, land-use squabbles, and perpetual study. Congressional gridlock has played a role as well. The 2000 legislation only authorized funding for a portion of the projects.

A report issued earlier this year by the National Academy of Sciences found that the pace of funding remains slower than expected and the cost of the projects are greater than initially estimated, meaning the efforts could take 60 years, not 35.

"What I hope is that this expedites these projects," Adornato said of the storm.

As of now, Davis says he is cautiously optimistic that Irma's damage has been manageable. But he plans to keep his eye on things.

"The Everglades has experienced these types of disturbances in the past and recovered," he said. "In addition to being a beautiful landscape, it's also a formidable defense."

U.S. Exiting Climate Accord, Trump Adviser Tells World Leaders

Posted September 18, 2017, 02:09 P.M. ET

By [Jennifer Jacobs](#)

President Donald Trump's chief economic adviser, Gary Cohn, emphasized to foreign climate and energy officials Sept. 18 that the U.S. still intends to withdraw from the Paris climate accord, three people familiar with his remarks at a private breakfast said.

Speculation that Trump would reverse course and remain in the Paris deal was heightened after the European Union's climate chief, Miguel Arias Canete, said Sept. 16 in an interview that the U.S. had signaled it wants to seek new terms from within the agreement, rather than withdraw outright and then re-negotiate. But White House officials have forcefully pushed back against the idea.

One person familiar with the president's thinking said that the accord would have to be significantly changed for the U.S. to remain. In his June 1 speech withdrawing from the deal, Trump complained about U.S. contributions to a fund intended to help developing countries mitigate the consequences of climate change and about implied limits on U.S. fossil fuel production and industrial activity. He also raised "serious legal and constitutional issues."

"I'm willing to immediately work with Democratic leaders to either negotiate our way back into Paris, under the terms that are fair to the United States and its workers, or to negotiate a new deal that protects our country and its taxpayers," Trump said in his June 1 speech.

The White House Press Secretary, Sarah Huckabee Sanders, said Sept. 16 that his position hasn't changed. Trump "has been clear, US withdrawing unless we get pro-America terms," she [said on Twitter](#).

Cohn had breakfast with energy and climate ministers in New York, at the annual United Nations General Assembly. He told them that the U.S. could remain in the Paris deal under the right conditions, but that they don't exist yet, according to one person with knowledge of the meeting. Cohn led off by emphasizing that Trump has made it abundantly clear he will withdraw unless the U.S. wins more favorable terms, the person said.

A senior White House official said in an email that Trump's position was made very clear in the breakfast. Cohn and the foreign officials discussed how their countries can cooperate to provide affordable, reliable energy to help reduce global poverty, and the importance of new technology under development in the U.S. including highly efficient fossil fuels, the official said.

The person familiar with Trump's thinking said he isn't expecting to cut a deal to remain in the Paris accord while he's at the General Assembly this week or anytime soon, and that it's not a particularly hot topic within the White House at the moment. Other countries have not approached the U.S. with proposals to keep the world's second-largest emitter of carbon pollution in the agreement, the official said.

Senate Democratic Leader Chuck Schumer (D-N.Y.) and House Democratic Leader Nancy Pelosi (D-Calif.) told Trump his decision to withdraw from the climate accord is a sticking point for bipartisanship. Trump didn't indicate any change would be forthcoming in his decision, said two Democratic aides.

—With assistance from Ewa Krukowska and Steven T. Dennis.

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EU Tilts to China in Climate Fight Amid Signs of Trump Softening

Posted September 18, 2017, 9:14 A.M. ET

By [Ewa Krukowska](#), [Jonathan Stearns](#), and [Nikos Chrysoloras](#)

Europe and China are stepping up their coordination in the battle against global warming, a top European Union official said, as the U.S. mulls re-engaging in a landmark Paris Agreement to cut greenhouse gases.

The 28-nation EU will press ahead with efforts to protect the environment by shifting to a low-carbon economy and reducing dependency on fossil fuels, Frans Timmermans, first vice president of the European Commission, said in an interview in Brussels. The EU accounts for about 12 percent of global emissions and China for around 20 percent.

“The Chinese are faced with such a challenge that you can see the sense of urgency prevailing there more and more, and the willingness to cooperate with us is getting stronger and stronger,” Timmermans said. “People are suffocating in the cities in parts of China. They know they need to do something urgently about this. And in some areas they’re moving at incredible speed.”

To meet its carbon-reduction targets, set at 20 percent by 2020 and 40 percent by 2030, the EU has moved to sustainable energy sources and established the world’s biggest carbon market. With China intensifying its fight against air pollution and the EU helping the government in Beijing to design a nationwide cap-and-trade program, investors are awaiting political signals about a future link between the two systems and closer cooperation on clean energy technologies.

Trump Re-Engaged

In what could be a game-changing development in the fight against global warming, U.S. officials said during the weekend that the administration of President Donald Trump could reverse its previous decision to abandon the Paris climate accord. Trump, who has called climate change a hoax perpetrated by the Chinese, last month began the formal process of exiting from the agreement.

Speaking from Montreal Sept. 16, EU climate chief Miguel Arias Canete said in an interview that the U.S. had signaled it wants to re-engage with the Paris Agreement from within, rather than withdrawing from the pact outright and then attempting to renegotiate it.

“Under the right conditions, the president said he’s open to finding those conditions where we can remain engaged with others on what we all agree is still a challenging issue,” U.S. Secretary of State Rex Tillerson said Sept. 17.

Agreed in December 2015, the deal united more than 193 countries in a pledge to work toward limiting fossil-fuel emissions. The EU’s Canete made the comments about a change of stance after meeting with Everett Eissenstat, deputy director of the U.S. National Economic Council.

“The willingness not just in Europe, but also globally, to not let this fall apart is very strong,” Timmermans said. “Perhaps this summer I was a bit shell-shocked because of the decision of the Trump administration, but also people I think are encouraged by the fact that many, many in the U.S. see it differently.”

Timmermans, who is due to address a World Economic Forum conference in New York on sustainable development Sept. 18–19, said he expected the fight against climate change in the U.S. to be driven by cities and citizens.

—With assistance from Anna Edwards and Jones Hayden.

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